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Counsel to Chevron Master Pension Trust
and Chevron UK Pension Plan

IN THE UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION

IN RE:

PG&E, CORPORATION

and

PACIFIC GAS AND ELECTRIC COMPANY,

Debtors.

_____ Affects PG&E Corporation
_____ Affects Pacific Gas and Electric
Company
 X Affects both Debtors

**All papers shall be filed in the Lead Case, No. 19-30088 (DM).*

) Bankruptcy Case No. 19-30088(DM)

) CHAPTER 11

) (Lead Case) (Jointly Administered)

) **CHEVRON'S OBJECTION WITH**
) **RESPECT TO THE REORGANIZED**
) **DEBTORS' MOTION FOR ENTRY OF**
) **AN ORDER FURTHER EXTENDING**
) **DEADLINE FOR THE**
) **REORGANIZED DEBTORS TO**
) **OBJECT TO CLAIMS AND FOR**
) **RELATED RELIEF AND JOINDER**
) **TO THE KINGSTOWN CLAIMANTS'**
) **OBJECTION**

) Date: November 15, 2022

) Time: 10:00 a.m. (PT)

) Place: (Telephonic or Video Only)
) United States Bankruptcy Court
) Courtroom 17, 16th Floor
) San Francisco, CA 94102

Objection Deadline:
November 8, 2022, 4:00 pm (Pacific Time)

Related Docket No.: 13122

1 Chevron Master Pension Trust (“**CMPT**”) and Chevron UK Pension Plan (“**CUPP**” and
2 together with CMPT, “**Chevron**”), with claims in excess of \$10 million dollars, through undersigned
3 counsel, submit this objection (the “**Objection**”) and joinder to the Kingstown Claimants’ Objection
4 (as defined below) relating to The Reorganized Debtors’ Motion for Entry Of An Order Further
5 Extending Deadline For The Reorganized Debtors To Object To Claims And For Related Relief [Dkt.
6 No. 13122] (the “**Fifth Extension Motion**”) respectfully represents as follows:

7 **BACKGROUND**

8 On January 29, 2019 (the “Petition Date”), PG&E Corporation (“**HoldCo**”) and Pacific Gas
9 and Electric Company (“**Utility**”, and together the “**Reorganized Debtors**”) commenced voluntary
10 cases for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for
11 the Northern District of California.

12 Both CUPP and CMPT are prepetition holders of the Reorganized Debtors’ publicly traded
13 equity securities or debt securities. On May 14, 2020, CUPP and CMPT filed amended Rescission
14 Proofs of Claim on account of those holdings at Claim Nos. 104490 and 104534 respectively
15 (collectively, the “**Amended Claims**”).¹ The Amended Claims are Securities Claims as that term is
16 defined in the Fifth Extension Motion.

17 The original claims objection deadline was December 28, 2020 (the “**Objection Deadline**”).
18 *Fifth Extension Motion* p. 4. By virtue of the Reorganized Debtor’s first four motions seeking to
19 extend the Objection Deadline, the Objection Deadline was extended through December 19, 2022,
20 almost two years past the original deadline.

21 During the almost two years since the December 28, 2020, deadline Chevron has provided
22 trading information to the Reorganized Debtors. The Chevron claims are unresolved and there has
23 been no effort undertaken by the Reorganized Debtors to resolve these claims. No efforts to date have
24 been undertaken to resolve the Chevron Claims through the Securities Claims Procedures (as defined

25
26 ¹ The Amended Claims amended Rescission Proofs of Claim filed previously by CUPP and CMPT
27 on April 16, 2020, Claim Nos. 101416 and 101365 respectively (collectively, the “**Original**
28 **Claims**”). The Original Claims were filed timely by the Extended Securities Bar Date (April 16,
2020). The Amended Claims relate back to the Original Claims. Pursuant to a Stipulation between
CUPP and CMPT (collectively, “**Chevron**”) filed April 26, 2021 [Dkt. No. 10580] the parties agreed
that the Original Claims were expunged and agreed further that the “expungement of the Original
Claims may not be argued to have negatively affected Chevron’s Amended Claims.”

1 in the Extension Motion).

2 KingfishersLP, Kingstown Partners II L.P., and Kingstown Partners Master Ltd. (collectively,
3 the “**Kingstown Claimants**”) filed an objection to the Extension Motion on November 8, 2022 (the
4 “**Kingstown Claimants’ Objection**”).

5 **OBJECTION**

6 The Fifth Extension Motion cites to a possible global settlement of Securities Claims to justify
7 extending the Objection Deadline. *Id.* p. 12. Specifically, the motion suggests that a possible D & O
8 Settlement is a reason to extend the objection deadline for an additional 270 days, explaining that “the
9 D&O Insurance Settlement will also help facilitate a potential settlement of the Securities Claims by
10 providing certainty regarding the availability of insurance proceeds to cover at least a meaningful
11 portion of a potential settlement of those claims.” Furthermore, as explained in further detail in the
12 Kingstown Claimants’ Objection, the Reorganized Debtors as Debtors-in-possession previously
13 vigorously disputed efforts to certify a class of Securities Claimants. In any event, Chevron has not
14 authorized anyone to settle its Securities Claims on a global basis and, as it stands now at this late date,
15 has no wish to resolve its claims through a class representative. If a class is later certified and Chevron
16 objected to a proposed settlement it would have to opt out and litigate its claims, a process that would
17 add years of additional litigation before resolution of the Chevron Claims.

18 Allowed Securities Claims that are subordinated debt claims are unimpaired and entitled to
19 payment in full under section 4.12 (Holdco) and 4.32 (Utility) of the confirmed Plan, while HoldCo
20 rescission or damages claims are impaired and entitled under section 4.14 of the Plan to receive “a
21 number of shares of New HoldCo Common Stock equal to such holder’s HoldCo Rescission or
22 Damage Claim Share.” [Dkt. 8048]. For this reason, the possibility of settling an insurance claim is
23 not a compelling justification for a further Objection Deadline extension to allow efforts to reach a
24 global settlement to continue. Allowed unimpaired claims must be paid in full by the Reorganized
25 Debtors under the confirmed Plan. Allowed HoldCo Rescission or Damage Claims are entitled to
26 receive New HoldCo common stock. The Plan does not make payment of allowed claims or issuance
27 of New Holdco common stock contingent on receipt of funds from any specific source. Delaying
28 efforts to resolve individual claims to pursue a global settlement that Chevron has not approved and

1 is not a part of prejudices Chevron.

2 The other justifications in the Fifth Extension Motion (at pp. 13-14) do not support an
3 additional 270-day extension to the Objection Deadline. The Reorganized Debtors do not explain why
4 they would be forced to file a “plethora of rushed, expansive prophylactic objections to meet the
5 Current Objection Deadline and preserve the Reorganized Debtors’ rights.” Chevron has informally
6 provided information to the Reorganized Debtors on its trading history and Chevron understands that
7 other Securities Claims holders have done the same. The Reorganized Debtors have substantial
8 information about Chevron’s trading history and Chevron would have provided any additional
9 information on request to the extent available. While Chevron would have been happy to resolve its
10 filed claims informally, at some point the Reorganized Debtors must have a firm deadline to decide
11 whether to object or allow claims. Here, it is reasonable to expect that two years is sufficient time for
12 the Reorganized Debtors to evaluate the Securities Claims and identify those to which they do not
13 object and those to which they will object and seek to resolve through the Securities Claims
14 Procedures.

15 The Reorganized Debtors have had almost two years to evaluate Securities Claims and should
16 be expected to make an informed decision as to whether to allow the Amended Claims or file
17 objections to those claims well before September 15, 2023. Extending the Objection Deadline this
18 long is not warranted.

19 Further delay prejudices Chevron and the other entities that filed Securities Claims. The longer
20 that claimants wait for their claims to be allowed and paid, the more economic harm claimants will
21 suffer through the lost time value of the funds. Chevron purchased securities issued by the Debtors to
22 generate regular income for pension plan beneficiaries and no income has been received on these
23 investments since the Debtors filed voluntary cases for relief under Chapter 11 of the Bankruptcy Code
24 on January 29, 2019. This economic loss for lost time value of money is greater in the current interest
25 rate environment. In contrast, as the Fifth Extension Motion notes, the Reorganized Debtors are in
26 part seeking an extension to see whether claims payments can be made through an unrelated insurance
27 settlement to fund a possible global settlement, even though all unsecured claims holders are entitled
28 to full payment of their allowed claims no matter what source of funds are used by the Reorganized

1 Debtors to pay those claims. Holding up the claims resolution process to allow the Reorganized
2 Debtors to pay claims out of the proceeds of settled litigation benefits only the Reorganized Debtors.

3 If the Court is inclined to grant the Fifth Extension Motion, the Objection Deadline should not
4 be extended for an additional 270 days. Chevron is prepared to defend the Amended Claims if
5 objections are filed in respect to these claims.

6 **JOINDER**

7 The Kingstown Claims Objection sets out in detail additional factual and legal arguments for
8 denying the Extension Motion and Chevron will not restate those arguments in this Objection.
9 Chevron instead joins in the Kingstown Claims Objection and incorporates the same into this
10 Objection

11 **CONCLUSION**

12 WHEREFORE, Chevron respectfully requests that if this Court is inclined to grant the Fifth
13 Extension Motion that the Objection Deadline be extended no more than 30 days. Chevron continues
14 to reserve all rights and requests that the Court order such other relief as is just and necessary.

15 Dated: November 8, 2022

PILLSBURY WINTHROP SHAW PITTMAN
LLP

17 /s/ Philip S. Warden
18 By: PHILIP S. WARDEN

19 Counsel to Chevron Master Pension
20 Trust and Chevron UK Pension Plan
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